

### **REMARKS/ARGUMENTS**

Claims 1-62 remain pending in this U.S. Patent Application No. 09/903,444 (the "'444 Application"). Claims 1-62 stand provisionally rejected under the judicially created doctrine of double patenting over claims 1-83 of copending Application No. 09/578,631 (the "'631 Application"). Claims 1-62 further stand rejected under 35 U.S.C. §102(e). Applicants submit that the amendments and remarks herein below, in connection with the Terminal Disclaimer submitted herewith, overcome all rejections of claims 1-62.

### **DOUBLE PATENTING**

The Examiner has stated that a timely filed Terminal Disclaimer in compliance with 37 C.F.R. § 1.321(c) may be used to overcome the provisional rejection, provided Application No. 09/578,631 is shown to be commonly owned with the instant application.

The '444 application and the '631 application are related; the '444 application being a continuation-in-part of the '631 application. The '444 application and the '631 application share identical inventorship and are commonly owned by DVDPlay, Inc. A Terminal Disclaimer and the required surcharge are filed herewith, to eliminate the double patenting rejection.

### **CLAIM REJECTIONS – 35 U.S.C. §102**

Claims 1-62 stand rejected as being anticipated by U.S. Patent No. 6,366,914, issued April 2002 to Stern (hereinafter, "Stern"). Applicants respectfully disagree and traverse the rejection.

To anticipate a claim, Stern must teach every element of the claim and "the identical invention must be shown in as complete detail as contained in the ... claim." MPEP 2131 citing *Verdegaal Bros. V. Union Oil Co. of California*, 814 F.2d 628, 2 USPQ2d 1051 (Fed. Cir. 1987) and *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 9 USPQ2d 1913 (Fed. Cir. 1989). Differences exist between Applicants' claimed elements and Stern such that Stern cannot be said to anticipate Applicants' invention. More specifically, Stern does not teach every element of Applicants' claims 1-62, as demonstrated herein below.

### **Independent Claim 1**

Applicants' claim 1 teaches a method for distributing optical recorded media to and from users, comprising the following steps:

- **a)** coupling one or more kiosks to a central server via the Internet, each of the kiosks containing a plurality of optical recorded media;
- **b)** automatically interfacing with a first user at a first kiosk in a first transaction for first local optical recorded media, the first local optical media contained within the first kiosk, the first kiosk being one of the kiosks, the first user being one of the users;
- **c)** automatically communicating between the first kiosk and the server to authorize the first transaction; and
- **d)** dispensing the first local optical media to the first user if the first transaction is approved.

Stern does not teach distributing optical recorded media either to or from users, and indeed makes no mention of distributing optical recorded media of any kind. According to the '444 Application, for example, "system 100 distributes recorded optical media in disk form; for example, a Digital Versatile Disk (DVD), or a Compact Disc (CD). A disk, recorded disk, DVD, CD, or recorded optical media are used interchangeably...to refer to an optical recorded media" (p. 12, lines 20-23; ¶[0069]). Stern, on the other hand, does not teach distribution of any such optical recorded media, instead disclosing a digital content distribution network "that allows consumers to preview content, product demonstrations, advertising, and other informational, entertainment, and promotional content" (Stern, col. 3, lines 1-4). Stern further discloses that, in response to consumer inputs, the network delivers "information streams to commercial sales outlets" (Stern, col. 3, lines 40-44). These information streams, or data files, can be "digitized audiovisual content, [and] can also be streaming audio, streaming video, or other such information" (Stern, col. 4, lines 54-56). Previewing such information streams via a network is patentably distinct from distributing optical recorded media as in claim 1.

Stern further fails to disclose kiosks containing a plurality of optical recorded media, as in step **a**, above. Rather, Stern describes an "interactive endcap module ...allowing users to scan

UPC codes of featured products or otherwise identify other products of interest) and be presented with video and audio clips relating to the product's content, product demonstrations, or the like" (Stern, col. 18, lines 1-6). Stern discloses only the *emulation* of a kiosk, but not the kiosks as cited in claim 1.

Other differences between Stern and claim 1 also exist. For example, there is no indication that Stern's emulated kiosk contains any physical content whatsoever (i.e., optical recorded media), as in step **a**, above. Rather, Stern discloses that audio and video content are stored in digitized files *on the multimedia server* for distribution throughout the site via the network (Stern, col. 3, lines 16-18, emphasis added").

Next, because Stern does not contain optical recorded media, Stern cannot interface with a user at a kiosk in a transaction for local optical recorded media contained within the first kiosk, as in step **b**, above.

Additionally, Stern does not disclose - anywhere - authorizing or approving transactions, let alone authorizing or approving transactions for optical recorded media, as in Applicants' steps **c** and **d**.

Furthermore, Stern's emulated kiosk functions to broadcast clips, not to dispense optical recorded media, as in step **d**. As noted by the Examiner, Stern divulges "listening posts 185 permit users to preview audio clips *from* various recorded media, including CDs, albums, tapes, DAT tapes, and other recordings" (Stern, col. 20, lines 61-63, emphasis added). Applicants first note that clips from media are not the same as the media containing said clips. Second, Stern states that if a user wishes to purchase the recorded media pertaining to previewed clips, "they may select the product(s), input name/address information via the keyboard, press a "print" button and receive a dot matrix printed ticket with an order number. They need only to hand the ticket to a cashier to pay for the product *and have it shipped home or delivered to the store within a few days.*" (Stern, col. 27, lines 52-58, emphasis added). Stern's emulated kiosk does not dispense the recorded media.

Finally, Stern teaches away from the kiosks of claim 1 by disclosing, for example, the following: "while interactive consumer information systems exist (e.g., kiosks), such systems cannot be quickly updated to reflect changes in inventory, product revisions, changing demographics, or the like" (Stern, col. 2, lines 49-53). In Applicants' method claim 1, on the

other hand, media is contained within a kiosk for distribution to a user and thus runs counter to Stern's aim of digitizing and electronically distributing promotional content to commercial outlets (see also claim 15) for distribution by broadcasting or multicasting (see Stern, col. 10, lines 46-53).

For at least the reasons laid out herein above, Stern does not anticipate claim 1. Applicants thus respectfully request withdrawal of the rejection and allowance of claim 1.

#### **Dependent Claims 2-41:**

Claims 2-41 depend, directly or through intervening claims, from claim 1, and thus benefit from like argument. However, claims 2-41 also differ from Stern for the exemplary reasons given below, among others not specifically laid out herein, for example:

Claim 2: Claims 2 further differs from Stern at least because Stern does not teach or suggest returning a first optical media to a second kiosk, as in claim 2; indeed, Stern makes no mention of returning any physical content.

Claim 3: Claim 3 is additionally patentable over Stern at least because Stern fails to teach or suggest the following elements:

- capturing a digital image of a first code on a first optical media
- scanning the image to determine a group identifier, the group identifier indicating which of the kiosks the first optical media may be returned to, and
- accepting the first optical media at the kiosk associated with the group identifier.

Stern discloses that his users may scan UPC codes of products and be presented with video and audio clips relating to the product's content (Stern, col. 18, lines 3-6). This differs from scanning a digital image of an optical media to determine the appropriate return-kiosk, as in claim 3. Furthermore, there is no indication that Stern discloses accepting optical media at a kiosk or otherwise.

Claim 4: Claim 4 further differs from Stern at least because Stern does not teach or suggest rotating an image, via internal software to a first kiosk, and rescanning a first code to determine a group identifier.

Claim 5: Claim 5 further differs from Stern at least because Stern does not teach or suggest a) capturing a second code on an optical media and scanning the image to determine a disk identifier, or b) reporting inventory of an optical media to a central server if the optical media is accepted at a kiosk. Stern does not accept optical media; thus Stern cannot report inventory of such optical media.

Claim 6: Claim 6 is different from Stern because Stern does not teach or suggest rotating an image, via internal software to a first kiosk, and rescanning a second code to determine the disk identifier.

Claim 9: Claim 9 is additionally patentable over Stern because Stern does not disclose sensing characteristics of a case housing of an optical media being returned. Stern also fails to teach determining if the characteristics match predetermined characteristics associated with a first kiosk, and opening a door to an input/output slot of the kiosk to accept the case and optical media when the characteristics match the predetermined characteristics. In fact, Stern fails to disclose any physical input/output mechanism for optical media, notably because Stern does not teach distributing or receiving such optical media at a kiosk.

Claim 10: Claim 10 also differs from Stern because Stern does not teach or suggest predetermined characteristics defined by physical structure of a case.

Claim 11: Claim 11 additionally differs from Stern because Stern does not teach or suggest either a) a physical structure forming one or more holes and one or more blocked regions in a case, or b) sensing the holes and blocked regions.

Claim 12: Stern fails to disclose tracking inventory movement of optical media between kiosks, as in claim 12.

Claims 14-16: Stern does not teach or suggest imaging a person as in the embodiments of claims 14-16. Stern also fails to teach or suggest imaging a person conducting a credit card input at a kiosk, as in claim 16.

Claim 18: Among other unique elements, claim 18 also recites a second local optical media contained within a second kiosk, authorizing a second transaction for optical media, and dispensing the second local optical media at the second kiosk, if the second transaction is

approved. As previously noted, Stern does not teach or suggest kiosks containing optical media; authorizing transactions for optical media, or dispensing optical media.

Claim 23: Claim 23 additionally differs from Stern because it recites the step of backing up at least part of information stored in the central server within internal memory within a first kiosk. Stern on the other hand discloses that upon scanning a UPC code of a product, a user may view product material stored *either* on the endcap or on multimedia server 160 (see Stern, col. 21, lines 9-11, emphasis added). This differs from backing up information and, as previously noted, Stern does not teach Applicants' kiosk(s) as in claim 1.

Claim 24: Stern does not appear to teach or suggest communicating advertising information based upon profiling of user transactions, as in the embodiments of claim 24.

Claim 26: Claim 26 differs from Stern because Stern does not teach or suggest managing a group of kiosks through a central server via a personal computer.

Claim 27: Claim 27 further differs from Stern at least because Stern does not teach or suggest managing advertising information communicated to users at kiosks

Claim 28-29: Claim 28 recites the additional embodiment of determining inventory at any of the kiosks within the group of kiosks. Claim 29 adds the limitation of determining said inventory via Internet access through the central server. As further described in the specification, "...a system of the invention provides real time inventory of connected kiosks. A user of the system can access the Internet and review the DVDs available at any of the connected kiosks." (p.6, lines 17-19; ¶ [0022]). As previously stated, Stern does not determine any such physical inventory, and does not teach Applicants' kiosks. Thus, Stern also fails to teach determining such inventory via Internet access.

Claim 30: Claim 30 is additionally patentable over Stern because Stern does not teach or suggest emailing discount coupons to a user through the internet based upon inventory. Stern describes customers accessing his system over the internet; however, there is no mention of the system reciprocally contacting a user, via email or other means.

Claim 31: Claim 31 further differs from Stern in the additional limitation of identification of alarm states associated with a kiosk. As supported by the specification, central server 103 polls the kiosks and generates alarm states if information from the kiosks is not

normal. "Alarm states may be generated for any of a variety of reasons, for example indicating: that kiosk 200 is not on; an incorrect inventory; security breaches; incorrect readings by any internal device or sensors; and combinations thereof" (p. 14, lines 16-19 and ¶ [0075]) According to Stern, polling only occurs with respect to listening posts, and not kiosks, to determine diagnostic status (see Stern, col. 17, lines 35-41). Stern does not teach or suggest alarm states associated with a kiosk.

Claim 32: Claim 32 is additionally patentable over Stern because Stern does not teach or suggest sending information about alarm states.

Claim 33: Claim 33 recites the further limitation of communicating one or both of voice and text messages to the administration as a message communicated by one or more of a mobile phone, pager, email and other wireless device. Stern does not teach or suggest communicating voice or text messages to an administration. Stern also fails to disclose communicating messages to an administration via such means as mobile phone, pager or email.

Claim 35: Claim 35 recites the step of processing unique promotion codes. Stern makes no mention of processing promotion codes.

Claim 36: Stern does not specify a touch screen or obtaining a promotion code from a touch screen, as in the embodiment of claim 36. Stern on the other hand discloses "a scan of a UPC code or a button touch on a system keypad" (Stern, col. 26, lines 15-17, emphasis added).

Claim 37: Claim 37 recites obtaining a promotion code from a magnetic card swipe through a reader at a kiosk. There is no such similar disclosure within Stern.

Claim 38: Stern neither teaches nor suggests distributing coupons to users, as in claim 38.

Claim 39: Claim 39 further differs from Stern, again because Stern does not teach or suggest distributing coupons at all, let alone distributing coupons to users of a kiosk.

Claim 40: Claim 40 is additionally patentable over Stern, once more because Stern fails to teach or suggest the step of distributing a coupon. Stern also fails to teach or suggest distributing a coupon activated by a transaction at a kiosk.

Claim 41: Claim 41 includes the additional limitation of administering kiosk business data through a remote web-interface. Stern is silent as to the administration of kiosk business data, notably, at least because Stern does not teach or suggest Applicants' kiosk.

For at least the reasons laid out herein above, Stern does not anticipate claims 2-41. Applicants thus respectfully request withdrawal of the rejection and allowance of claims 2-41.



**Independent Claim 42:**

Applicants' claim 42 recites a kiosk for coordinated operation within a system for distributing optical recorded media to users at a plurality of locations, a central server controlling system, the kiosk comprising:

- a) a housing, and a rotatable carousel within the housing, for storing an array of optical media;
- b) a user interface for accepting user inputs, including a selected optical media from the array of optical media, and for displaying information;
- c) a reader for scanning user authorization information;
- d) a processor controlling the kiosk in communication with the central server;
- e) an input/output mechanism for dispensing and receiving one or the array of optical media through a slot in the mechanism;
- f) the carousel rotating in response to commands by the processor to align the selected optical media with the slot and the input/output mechanism dispensing the selected optical media when the central server communicates, to the kiosk, acceptance of the authorization information.

As submitted above in support of claim 1, Stern does not teach or suggest Applicants' kiosks, or distributing optical recorded media. Claim 42 further differs from Stern because:

- Stern fails to teach or suggest a rotatable carousel for storing an array of optical media, as in **a**, above;
- Stern is completely silent as to either an array of optical media, as in **a** and **b**;
- Neither does Stern teach or suggest scanning user authorization information, as in **c**, above. Stern's module appears capable of scanning only UPC or bar codes, not user authorization information. Furthermore, the only user information mentioned within Stern is "name/address information" or a code "e.g., the person's phone number", and this information is entered "via the keyboard" (Stern, col. 27, lines 54-63). There is no mention of user authorization information, such as credit authorization data, as described in the specification (see p.15, line 29 – p. 16, line 10);

- Stern is likewise silent as to an input/output mechanism for dispensing and receiving optical media, as in e, above; and
- Stern does not teach or suggest a carousel rotating to align selected optical media with a slot and an input/output mechanism dispensing the selected optical media when the central server communicates acceptance of the authorization information, as in f, above.

For at least the reasons laid out herein above, Stern does not anticipate independent claim 42. Withdrawal of the rejection, and allowance of claim 42 are respectfully requested.

#### **Dependent claims 43-62**

Claims 43-62 depend, directly or through intervening claims, from claim 42, and thus benefit from like argument. However, among other reasons not specifically laid out herein, claims 43-62 differ from Stern at least for the exemplary reasons given below:

Claim 44-46: Additional reasons for patentability of claims 44-46 at least include the following:

- Stern does not teach or suggest an array of DVDs, as in claim 44;
- Stern does not teach or suggest a mag-stripe reader for capturing at least one of a credit, debit, or club card number, as in claim 45; and
- Stern does not teach or suggest a carousel comprising a set of extruded elements, as further described in claim 46.

Claim 47: Claim 47 additionally recites a hub extrusion forming a center of the carousel, the hub extrusion coupling with the spoke extrusions. Such embodiment is entirely absent from Stern.

Claim 48: Claim 48 differs from Stern, at least because Stern does not disclose or suggest a series of inner ring extrusions and a series of outer ring extrusions.

Claim 49: Claim 49 recites a carousel constructed and arranged to hold approximately 102 optical recorded media. As explained herein above, Stern does not disclose a carousel. Stern likewise fails to teach or suggest a set number of optical recorded media.

Claim 51: Claim 51 is additionally patentable over Stern at least because Stern does not teach or suggest an input/output mechanism and processor cooperating to accept data from returned optical media to a kiosk, for storage within a carousel.

Claim 52: Stern does not teach or suggest a digital camera for capturing a digital image of the returned optical media, as in claim 52.

Claim 53: Claim 53 is additionally patentable over Stern, at least because Stern does not teach or suggest decoding one or more bar codes on returned optical media.

Claim 54: Claim 54 recites a processor rotating an image if the processor fails to decode bar codes of the image, and the processor scanning the rotated image to decode one or more bar codes of the returned optical media. Such a processor and its capabilities are not disclosed by Stern.

Claim 55: Claim 55 recites additional features that are absent from Stern, such as a first case sensor light and a first case sensor.

Claim 56: Claim 56 further differs from Stern, at least because Stern does not teach or suggest a second case sensor light and a second case sensor.

Claim 57: Claim 57 recites a housing comprising one or more weld joints forming an enclosure about the carousel and with the user interface and input/output mechanism; such features are neither taught nor suggested in Stern.

Claim 58: Claim 58 is additionally patentable over Stern, at least because Stern does not disclose or suggest optical recorded media within a carousel.

Claim 59: Stern fails to disclose or suggest a motor for rotating a carousel or a motor for opening and closing a door to an input/output mechanism, as in the embodiments of claim 59.

Claims 60-62: Claims 60-62 further differ from Stern, at least because Stern does not teach or suggest the following additional features:

- a case presence sensor for detecting whether a case is within a slot (claim 60);

- a feedback sensor and an eject arm, the feedback sensor sensing position of the eject arm for dispensing or retrieving optical media through the slot. (claim 61)
- optical media secured within a kiosk being accessible only through a slot (claim 62)

For at least the reasons laid out herein above, Stern does not anticipate dependent claims 43-62. Applicants thus respectfully request withdrawal of the rejection and allowance of claims 43-62.

In summary, Applicants have shown why claims 1-62 are patentably distinguishable over Stern. In view of the above amendments and remarks and the Terminal Disclaimer filed herewith, Applicants have addressed all issues raised in the Office Action dated 6 October 2004, and respectfully solicit a Notice of Allowance for claims 1-62. Should any issues remain, the Examiner is encouraged to telephone the undersigned attorney.

Applicants have filed authorization to charge the \$65 Terminal Disclaimer fee and the \$60 fee for one month's extension to Deposit Account No. 12-0600. It is believed that no further fees are due; however, if any fee is deemed necessary in connection with this Amendment and Response, the Commissioner is hereby authorized to charge Deposit Account No. 12-0600.

Respectfully submitted,

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